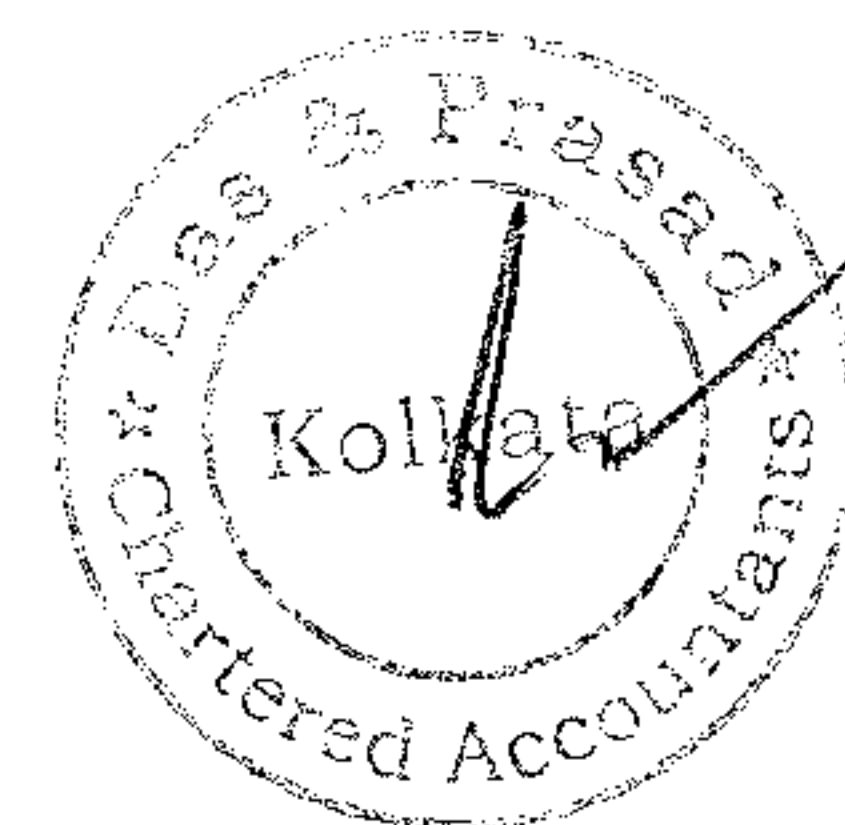




Independent Auditor's Review Report

To
The Board of Directors
Adhunik Metaliks Limited

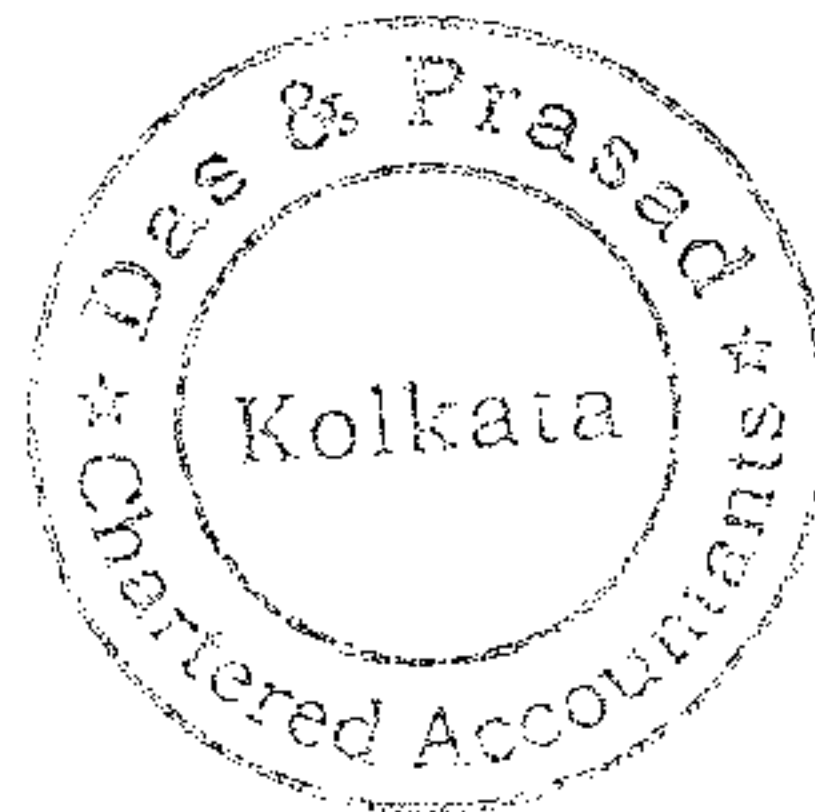
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Adhunik Metaliks Limited ('the Company') for the quarter ended 30th June, 2016 (the "Statement") being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation, 2015). This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the financial statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review total revenue of Rs.NIL for the quarter ended 30th June, 2016 and total assets of Rs. 70.61 lacs as on that date, included in the accompanying financial results relating to the foreign branch of the company. The financial information for the branch has been audited by other auditor and our conclusion is based solely on the report of such auditor.
4. Note No 8 to the financial results, which indicates the basis and factors for erosion of net worth of the company and position of accumulated losses in excess of net worth of the company. The company has incurred a net cash loss during the Qtr ended 30th June, 2016 and in the previous year(s) and the company's current liabilities exceeded its current assets as at the balance sheet date. This conditions along with other matters set forth in the above referred note, indicates that the existence of material uncertainty that casts significant doubt about the company's ability to continue as a going concern. However, based upon management's perspective of improved performance and financial position on account of expected enhancement of working capital limits/term loans from bank, infusion of promoter's contribution, diversification in business activities and synergy benefits on merger after necessary approval from High Court and its implementation, the financial statements of the company have been prepared by the management on a going concern basis.
Our opinion is not modified in respect of this matter.



5. We draw attention to following:

Note 9 of the financial results, the Company continues to carry deferred tax assets (net) of Rs. Rs.15,560.92 lacs with regard to the recognition of deferred tax assets on unabsorbed depreciation, business losses and other temporary differences, which in view of the management, shall be realized on generation of taxable profits in future years. However in absence of the convincing evidences on availability of sufficient future taxable profits, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Ind-AS 12, "Income Taxes", specified under Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013. Had the Company reversed these deferred tax assets, the tax expense for the quarter ended 30th June, 2016 would have been higher by Rs. 155,60.92 lacs and total comprehensive income after tax would have been lower by Rs. 15560.92 lacs

6. Based on our review conducted as above, subject to the observations in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards specified in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 dated 5th July'2016 of SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.



For Das & Prasad
Chartered Accountants
Firm Registration No: 0303054E

A handwritten signature in black ink, appearing to read "Anil Kumar Agarwal".

Anil Kumar Agarwal
Partner
Membership No.:062368

Place: Kolkata

Date: 14th September, 2016

ADHUNIK METALIKS LIMITED

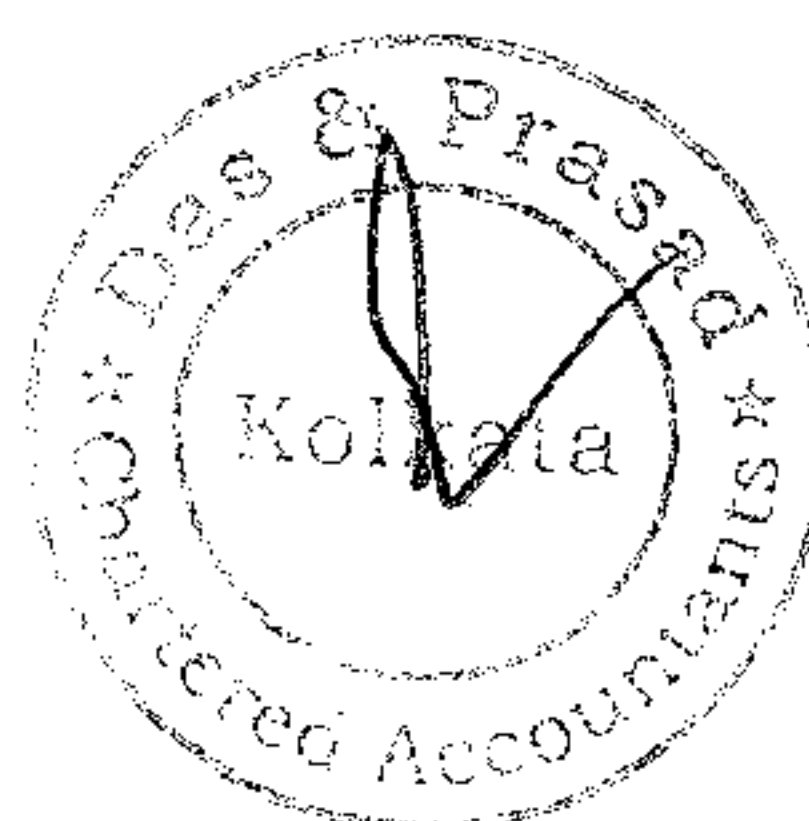
Regd. Office : Chadrihariharpur, P.O. Kuarmunda, Sundargarh, Odisha-770039

CIN: L28110OR2001PLC017271

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30TH JUNE 2016**

(₹ in Lacs)

SL NO.	PARTICULARS	Quarter Ended	
		30th June 2016 (Unaudited)	30th June 2015 (Audited) (Refer Note 3)
1	Income from operations		
	a) Net Sales / Income from Operations (Refer Note 6)	20,820.43	271.44
	b) Other Operating Income	71.39	-
	Total Income from operations (net)	20,891.82	271.44
2	Expenses		
	a) Cost of materials consumed	13,286.01	2,680.45
	b) Purchase of stock-in-trade	212.16	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	438.93	828.04
	d) Employee benefits expense	998.68	660.70
	e) Consumption of Stores and Spares	2,274.81	70.21
	f) Depreciation and amortisation expense	3,311.05	2,607.79
	g) Other Expenses (Refer Note 6)	5,716.91	2,157.56
	Total Expenses	26,238.55	9,004.75
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(5,346.73)	(8,733.31)
4	Other Income	57.64	151.89
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(5,289.09)	(8,581.42)
6	Finance Costs	6,751.69	6,622.88
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(12,040.78)	(15,204.30)
8	Exceptional Items (Refer Note 10)	3,202.81	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(15,243.59)	(15,204.30)
10	Tax Expenses :		
	a) Current Tax	-	-
	b) Income Tax relating to Earlier Years	-	(13.99)
	c) MAT Credit Entitlement	-	-
	d) Deferred Tax Charge/ (Credit)	(4,945.83)	(5,695.97)
11	Net Profit / (Loss) for the period (9-10)	(10,297.76)	(9,494.34)
12	Other comprehensive income (net of taxes)	0.29	-
13	Total comprehensive income after tax (11+12)	(10,297.47)	(9,494.34)
14	Paid up Equity Share Capital (Face Value ₹10 per share)	12,349.95	12,349.95
15	Earning per share :		
	-Basic (not annualised) (in ₹)	(8.34)	(7.69)
	-Diluted (not annualised) (in ₹)	*(8.34)	(7.69)

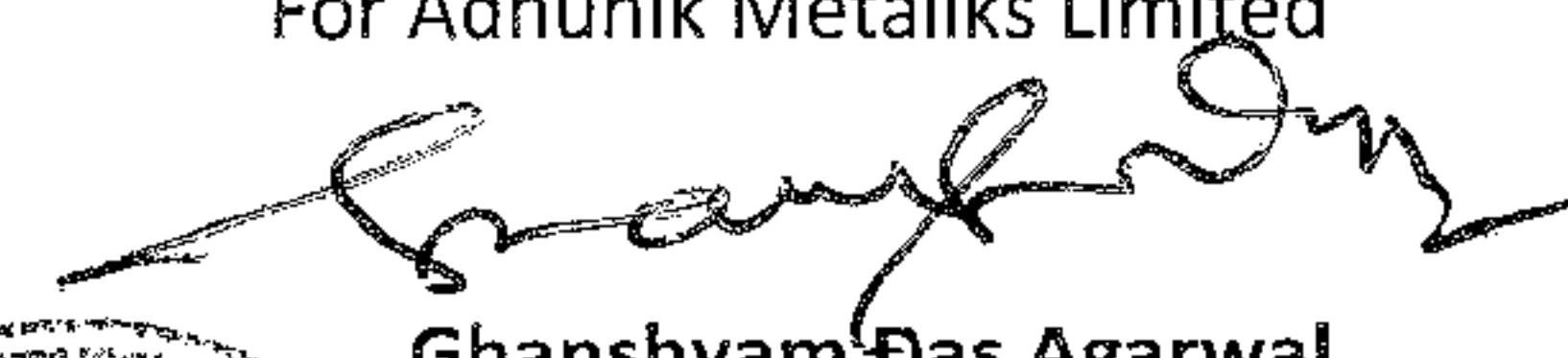


(Signature)

Notes:

- (1) The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th September 2016 and have been reviewed by the statutory auditors.
- (2) The Company has adopted Indian Accounting Standard ("Ind AS") w.e.f. 1st April 2016 and accordingly the financial result for the quarter ended 30th June 2016 are in compliance with Indian Accounting Standard (Ind AS) notified by the Ministry of Corporate Affairs.
- (3) In terms of SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 listed entities, who have a year end other than 31st day of March and are required to prepare financial statements for a period longer or shorter than the normal 12 months period for coinciding with 31st day of March as prescribed under Section 2(41) of the Companies Act, 2013, the Ind-AS financial statements for various periods beginning from 1st April 2016, shall have comparative information for a shorter or longer period i.e. beginning from a day other than 1st of April 2015.
The Company has adopted change of year in terms of Section 2(41) of the Companies Act 2013 from financial year 2015-16 and accordingly, the said financial year of the Company was of a nine months period from 1st July 2015 to 31st March 2016. The date of transition to Ind AS for the Company is 1st July 2015. Hence, the figures for June 2015 Quarter are as per Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 as reported earlier.
- (4) The figure of the quarter ended June 30, 2015 are the balancing figures between audited figures in respect of the full financial year up to 30th June 2015 and the unaudited published year to date figures up to 31st March 2015 being the date of the end of the third quarter of the financial year 2014-15 which were subjected to a limited review.
- (5) As the Company's business activity falls within a single primary business segment, viz. "Iron & Steel Products", the disclosure requirements of Accounting Standard - 17 "Segment Reporting", as notified by the Companies (Accounting Standards) Rules 2006 (as amended) are not applicable.
- (6) In compliance of Ind-AS requirements, the Sales/Income from Operations for the quarter ended 30th June 2016 has been shown inclusive of Excise Duty and corresponding Excise Duty have been included under the head Other expenses. However, the figures of corresponding quarter ended 30th June 2015, being in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), are net of Excise Duty amounting to ₹ 13.77 lacs.
- (7) The Board of Directors of the Company in its meeting held on July 22, 2013 has approved to amalgamate Zion Steel Limited (ZSL) with the Company and to amalgamate the Company (post amalgamation of ZSL) with the wholly owned subsidiary, Orissa Manganese & Minerals Limited (OMML), through a composite scheme of amalgamation between ZSL, OMML and the Company (the Scheme) as per the provision of Section 391 to 394 of the Companies Act, 1956. The appointed date of the amalgamation is 1st July 2012. The scheme has been approved by the Shareholders and Creditors of the above Companies in their meeting held on 19th and 20th April 2014 respectively and the Official Liquidator, Orissa High Court, Cuttack has submitted its report dated 17th July 2014 that the affairs of the Company appears to have not been conducted in a manner prejudicial to the interest of its members or to public interest and the Hon'ble High Court may consider to pass order as deemed fit and proper in that manner. Upon effectiveness of the Scheme, every shareholder of ZSL holding 17 (seventeen) fully paid-up equity shares of ₹ 10/- each shall be entitled to receive 1 (one) fully paid-up equity shares of ₹ 10/- each in the Company and every shareholder of the Company (post amalgamation of ZSL) holding 1 (one) fully paid-up equity shares of ₹ 10/- each shall be entitled to receive 1 (one) fully paid-up equity shares of ₹ 10/- each in the wholly owned subsidiary, OMML.
- (8) In view of the Company incurring losses continuously and current liabilities exceeding the current assets, there has been an erosion of net worth due to accumulated losses and provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) needs compliance. Milestones under the CDR Scheme could not be achieved and therefore lenders invoked Strategic Debt Restructuring (SDR) at its meeting held on 26th July, 2016, pursuant to RBI circular dated 8th June 2015. Implementation of the same is under process. Considering the above development and prospects relating to financial structuring, the Company has presented this financial results on going concern basis.
- (9) The Auditors in their report on the accounts for the quarter ended 30th June 2016 have commented upon recognition of Deferred Tax Assets (net). Based on future profitability projections the management is optimistic that there would be sufficient taxable profits in future to claim credit of Deferred Tax Assets.
- (10) Exceptional Items includes quality claims receivable from vendors written off amounting to ₹ 3,202.81 lacs.

By order of the Board of Directors
For Adhunik Metaliks Limited


Ghanshyam Das Agarwal
Chairman

Place : Kolkata

Date: 14th September 2016

